

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

<p><b>In re:</b></p> <p><b>STEWART HEALTH CARE SYSTEM LLC, et al.,</b></p> <p style="text-align: center;"><b>Debtors.<sup>1</sup></b></p>	§ § § § § § § § §	<p><b>Chapter 11</b></p> <p><b>Case No. 24-90213 (CML)</b></p> <p><b>(Jointly Administered)</b></p>
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**NOTICE OF DESIGNATION OF STALKING HORSE BIDDER  
FOR WADLEY REGIONAL MEDICAL CENTER (TEXARKANA)**

**PLEASE TAKE NOTICE THAT** on June 3, 2024, this Court entered the *Order (I) Approving (A) Global Bidding Procedures for Sales of the Debtors’ Assets, (B) Form and Manner of Notice of Sales, Auctions, and Sale Hearings, and (C) Assumptions and Assignment Procedures and Form and Manner of Notice of Assumption and Assignment; (II) Authorizing Designation of Stalking Horse Bidders; (III) Scheduling Auctions and Sale Hearings; and (IV) Granting Related Relief* (Docket No. 626) (the “**Bidding Procedures Order**”)<sup>2</sup> in connection with the sale of the Debtors’ Assets, which, among other things, granted the Debtors authority, but not the obligation, to designate one or more Stalking Horse Bidders for one or more of the Debtors’ Assets.

**PLEASE TAKE FURTHER NOTICE THAT** pursuant to the Bidding Procedures Order and the Global Bidding Procedures, the Debtors may, after consultation with the Consultation Parties, and subject to the notice and approval provisions set forth in paragraphs 4–11 of the Bidding Procedures Order, offer Stalking Horse Bidders certain Stalking Horse Bid Protections, including a break-up fee and reimbursement of reasonable and documented out-of-pocket expenses subject to a reasonable cap, subject to the limitations set forth in the Bidding Procedures Order.

**Christus Stalking Horse Bid**

Consistent with the Bidding Procedures Order and the Global Bidding Procedures, the Debtors hereby designate CHRISTUS Health Ark-La-Tex (“**Christus**”) as the stalking horse bidder (the “**Stalking Horse Bidder**,” and the bid submitted by Christus, the “**Stalking Horse**

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<sup>1</sup> A complete list of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://restructuring.ra.kroll.com/Steward>. The Debtors’ service address for these chapter 11 cases is 1900 N. Pearl Street, Suite 2400, Dallas, Texas 75201.

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Bidding Procedures Order, or the Stalking Horse Agreement (as defined herein), as applicable. Any summary of the Bidding Procedures Motion or the Global Bidding Procedures contained herein is qualified in its entirety by the actual terms and conditions thereof. If there is any inconsistency between such summary and the actual terms and conditions, the actual terms and conditions shall control.

**Bid**”) for Wadley Regional Medical Center in Texarkana, Texas (“**Wadley**”) pursuant to and as set forth in that certain *Asset Purchase Agreement* (the “**Stalking Horse Agreement**”) by and among Brim Healthcare of Texas, LLC (the “**Seller**”) and Christus, dated August 30, 2024. The Stalking Horse Bid is subject to higher or better offers in accordance with the Bidding Procedures Order and the Global Bidding Procedures.

The Stalking Horse Agreement provides for cash consideration in the amount of \$4,500,000 adjusted in accordance with the terms of the Stalking Horse Agreement, together with additional consideration as set forth in the Stalking Horse Agreement and described in more detail in **Exhibit A** below. Pursuant to the Stalking Horse Agreement, the Seller has agreed to pay to Christus a break-up fee in an amount equal to (a) \$260,000 (the “**Break-Up Fee**”) plus (b) the amount of the reasonable, out-of-pocket and documented expenses of Buyer incurred in connection with the contemplated Sale Transactions up to an aggregate amount of \$135,000 (such expense reimbursement, the “**Expense Reimbursement Amount**” and, together with the Break-Up Fee, the “**Bid Protections**”). The Stalking Horse Agreement further provides that the obligations of the Seller to pay the Break-Up Fee and the Expense Reimbursement Amount as provided in Section 9.1 of the Stalking Horse Agreement shall, pursuant to the Bidding Procedures Order, be entitled to superpriority administrative expense status, subject to the DIP Financing Orders.

Certain material terms of the Stalking Horse Bid are identified in the summary attached as **Exhibit A** hereto. Further, a copy of the Stalking Horse Agreement is attached hereto as **Exhibit 1** to **Exhibit B**.

### **Stalking Horse Objections**

Objections to the provision of Bid Protections (each, a “**Stalking Horse Objection**”) shall (a) be in writing; (b) comply with the Bankruptcy Code, Bankruptcy Rules, and Bankruptcy Local Rules; (c) state, with specificity, the legal and factual bases thereof; and (d) be filed with the Court and served on the Objection Notice Parties (as defined in the Bidding Procedures Order) by no later than September 6, 2024 (the “**Stalking Horse Objection Deadline**”). If a Stalking Horse Objection is timely filed and served in accordance with the Bidding Procedures Order and Global Bidding Procedures, the Bid Protections shall not be deemed approved unless and until the Stalking Horse Objection is resolved, either by agreement of the objecting party and the Debtors, or by order of the Court approving the Bid Protections.

If no Stalking Horse Objection is timely filed and served in accordance with the Bidding Procedures Order and Global Bidding Procedures, or upon resolution of such objection, the Debtors may file with the Court, upon certification of counsel, a proposed order authorizing and approving the Bid Protections (a “**Proposed Stalking Horse Order**”), in the form attached hereto as **Exhibit B**, which may be entered by the Court without further notice or hearing. In the event that a timely filed Stalking Horse Objection remains unresolved, the Debtors may seek entry of any such order on an expedited basis.

### **Important Dates and Deadlines**

The Global Bidding Procedures provide interested parties with the opportunity to submit competing bids for the Debtors' Assets and to participate in any Auction(s).

The key dates for the sale process for Wadley are set forth below and are subject to modification in accordance with the Global Bidding Procedures and the Stalking Horse Agreement.

- **Bid Deadline.** The Bid Deadline for Wadley is **September 13, 2024 at 5:00 p.m. (Central Time)**.
- **Auction.** An Auction, if necessary, for Wadley has been scheduled for **September 17, 2024 at 10:00 a.m. (Central Time)**. The Auctions shall be conducted (i) at the offices of Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, (ii) virtually, pursuant to procedures to be announced to bidders, or (iii) at such other time and place as the Debtors, after consultation with the Stalking Horse Bidder and the Consultation Parties, may notify Qualified Bidders who have submitted Qualified Bids.
- **Sale Hearing.** The hearing to approve Sale Transaction(s) for Wadley is scheduled for September 24, 2024. Absent Christus's written consent, the Sale Hearing shall not be held later than September 30, 2024.

### **Additional Information**

Parties interested in purchasing Wadley should contact the Debtors' hospital investment banker, Cain Brothers, a division of Keybank Capital Markets Inc. (Attn: Jim Moloney and David Morlock (Email: [Project\\_Golden\\_Sun@keybank.com](mailto:Project_Golden_Sun@keybank.com))).

Copies of the Bidding Procedures Order, the Global Bidding Procedures, and the Stalking Horse Agreement may be obtained free of charge at the website dedicated to the Debtors' chapter 11 cases maintained by their claims and noticing agent and administrative advisor, Kroll Restructuring Administration LLC, located at <https://restructuring.ra.kroll.com/Steward>.

Dated: September 3, 2024  
Houston, Texas

/s/ Clifford W. Carlson

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and Debtors in Possession*

**Certificate of Service**

I hereby certify that on September 3, 2024, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Clifford W. Carlson

Clifford W. Carlson